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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SPORTS MACHINE, INC.,
d/b/a/ Bike Source,

Opposer,

v.

MIDWEST MERCHANDISING, INC.,

Applicant.

Opposition No.: 122,948

Application No. 76/035,008



01-12-2004

U.S. Patent & TMO/TM Mail Rpt Dt. #78

APPLICANT'S MEMORANDUM IN OPPOSITION
TO OPPOSER'S MOTION FOR RECONSIDERATION
OF THE BOARD'S FINAL DECISION

Applicant, Midwest Merchandising, Inc. hereby opposes Opposer's Motion for Reconsideration of The Board's Final Decision in the subject Opposition.

The Board had suspended the subject Opposition pending the outcome of the Cancellation No. 30,578 (the "Cancellation") on by order issued on November 14, 2001 rather than consolidate the two proceedings as Opposer had requested. The Legal Standard Governing Motions for Reconsideration under 37 C.F.R. 2.129(c)

Generally, the premise underlying a request for reconsideration under 37 C.F.R. 129(c) is that, based upon the evidence of record and the prevailing authorities, the Board erred in reaching the decision it issued. See TBMP 543.

A Motion for Reconsideration may not be used to introduce additional evidence, nor should it be devoted simply to a re-argument of the points presented in the requesting party's brief on the case. *Id.*

Opposer bears the burden of proving that reconsideration is required.

Opposer's Lack of Basis for Motion

Opposer has alleged no satisfactory basis for the subject Motion.

Opposer's Motion is apparently based on the following assertions and alleged grounds: (1) that, when consolidation was denied, Opposer "presumed" that the Cancellation would involve only the issue of whether the mark BIKESOURCE (stylized) was merely descriptive, and that it should now be able to have separately adjudicated the same issue regarding the BIKESOURCE (block letter) mark; (2) that Opposer was in some way prejudiced by not being given the opportunity to have "issues concerning the later filed application for the BIKESOURCE word mark" adjudicated in the present proceeding, and that "[a]s a result of the Board's dismissal of the opposition, Opposer's interests and rights have been seriously impaired;" (3) that the legal effect of the decision in the Cancellation is inconsistent with the final decision herein and/or that Applicant's earlier registration of BIKESOURCE (stylized) in some way makes the decision in this proceeding incorrect; and (4) that the Board in some way legally or procedurally erred in granting summary judgment in favor of Applicant.

Applicant addresses these issues in order below.

1. Opposer's Alleged Presumption Regarding the Scope of the Cancellation is Clearly Untrue and is Irrelevant

Opposer's alleged presumption that the issue of descriptiveness as applied to the BIKESOURCE (block letter) mark would (and now should) be separately litigated is clearly untrue as a review of the record in the Cancellation indicates.

From Opposer's first pleading in the Cancellation, Opposer placed the issue of descriptiveness of BIKESOURCE at issue.

Indeed, a review of the record reveals that Opposer presented *absolutely no evidence on the descriptiveness of BIKESOURCE in the specific stylized form*:

BIKESOURCE

Rather, all of Opposer's evidence was directed to the usage and meaning of BIKESOURCE (or BIKE SOURCE) without regard to its stylization. This evidence *included evidence and argument directed to the descriptiveness of the individual words "bike" and "source" as applied to the associated services.*

One needs look no further for evidence of the falsehood and bad faith accompanying Opposer's Motion than the record in both proceedings.

No sooner had the present proceeding been instituted¹ than Opposer moved for *consolidation*², not suspension, based upon the allegation that the same issue was involved. Had Opposer's motion been granted, the Cancellation would have been placed on the same discovery and testimony schedule as the Opposition that had been filed *more than a year later*. However, the Board recognized the clear inefficiency that would be occasioned by Opposer's motion, suspended the present proceeding pending the outcome in the cancellation.

Furthermore, Opposer's motion to consolidate the two proceedings would have resulted in the trial of the descriptiveness of BIKESOURCE (stylized) and BIKESOURCE (block letter) *in the same proceeding*. Accordingly, Opposer cannot now truthfully allege that it presumed it would have another opportunity to present evidence and argue the issue of descriptiveness of BIKESOURCE (block letter) *when it clearly moved for precisely the opposite treatment*.

Opposer's presumption of the legal effect of consolidation and resumption is irrelevant.

After having a full and fair opportunity to present a factual record and legal argument on this issue, Opposer wants even more time to reargue the same issue on the same facts.

It is the burden of Opposer to show some factual or legal error. There is none.

¹ The Opposition was instituted on May 31, 2001

² Opposer's Motion to Consolidate was filed on July 9, 2001

2. Opposer has had a Complete Opportunity to Present its Case on Alleged Mere Descriptiveness and is not Prejudiced by the Inability to Relitigate the same Issues in the Opposition

Opposer has already had ample opportunity to present all relevant evidence and argument regarding whether BIKESOURCE is merely descriptive of the services for which it has been registered.

Every fact recited in Opposer's Motion was already presented to the Board in the Cancellation including the fact that the subject application was filed after the Petition for Cancellation was filed.

Accordingly, Opposer is not prejudiced by being denied further opportunity to have "issues concerning the later filed application for the BIKESOURCE word mark" adjudicated in the present proceeding.

Opposer fails to cite any fact in the record or legal precedent in support of its position that the Board's entry of judgment in favor of Applicant was in error.

Applicant reminds the Board that indeed, when Opposer no doubt was attempting to delay the Cancellation by seeking its consolidation with the subject Opposition, it admitted that the issues in the Cancellation and the Opposition were the *same*, and this was the grounds upon which Opposer originally sought *consolidation* of the Cancellation and the Opposition. See Opposer's Motion to Consolidate Proceedings filed July 5th, 2001 herein.³

Opposer's own initial pleadings in the Cancellation even stated its position that the term BIKESOURCE (or BIKE SOURCE) was merely descriptive without

reference to the stylization. See Petition for Cancellation in Cancellation No. 30,578.

Now that final judgment has been entered herein and Opposer seeks further delay, Opposer now changes its position and suggests that there is something further that requires adjudication.

3. The Legal Effect of the Decision in the Opposition and Opposer Dissatisfaction with the Final Decision is not Grounds for Reconsideration and Applicant's Earlier Registration of BIKESOURCE (Stylized) does not Make the Final Decision in this Proceeding Incorrect

The legal effect of the current final decision and the fact that this decision may prejudice Opposer is irrelevant to the current Motion.

Opposer postulates that the Board viewed the mark BIKESOURCE as being distinctive only on the basis of its unitary nature. Applicant submits that the issue of descriptiveness is one of fact, and that issue has been decided.

Again, the evidence adduced by Opposer in the Cancellation included an attack directed from the standpoint of the respective meanings of the individual constituent words "bike" and "source" and was still found to be unpersuasive.

Opposer's suppositions regarding the Board's reasoning are just that and are not new facts or legal grounds.

Finally, Applicant's past or future intentions regarding the filing of applications for federal registration are irrelevant.

³ Cancellation No. 30,578 was filed on March 29, 2000 and the subject Opposition was not filed until April 4, 2001. Opposer did not file its Motion to Consolidate the Opposition

Opposer's dissatisfaction with the decision and its apprehension regarding Applicant's future actions are not grounds for reconsideration.

As to Applicant's earlier registration of BIKESOURCE (Stylized), Opposer already asserted that Applicant's original filing of an application for registration of the mark BIKESOURCE in stylized form was some form of recognition or admission, or otherwise gave rise to a legal interpretation or presumption, that the underlying word BIKESOURCE alone had no distinctiveness or secondary meaning.

The Board has now put that issue to rest by rejecting this argument as both a factual matter and as Opposer's asserted legal corollary (which simply does not exist). In its Motion, Opposer does nothing more than essentially repeat that same argument in the last paragraph on page 2 and the first paragraph of page 3 of its current Motion.⁴

The Board has now decided a purely factual matter by holding that the mark BIKESOURCE (stylized) is not merely descriptive as applied, *even in view of all of the evidence presented by Opposer concerning meaning and usage of the words "bike" and "source."*

Opposer even requested *disclaimer* of the term "bikesource" as an alternative to cancellation of the BIKESOURCE (stylized) registration, and the Board's denial of that request involved ***exactly the same factual issue Opposer raised*** in the Opposition, i.e., whether the word "bikesource" or "bike source" is merely descriptive of the associated services. Indeed, as the Board properly

with the Cancellation until July 9, 2001.

recognized, **“the evidence of descriptiveness [in both cases] would be identical.”** See page 7 of the Final Decision Herein.

4. The Board Did Not Err Legally or Procedurally in Granting Judgment in Favor of Applicant

Opposer’s Motion on page 3 suggests that the Board in some way erred in entering judgment in favor of Applicant after the same issue had been decided in the Cancellation.

Applicant submits that it followed precisely the procedure set forth in TBMP 510.02(b).

Attempting to have the Board place form over substance, Opposer now argues that it was necessary for the Board to treat Applicant’s Resumption and Judgment Entry Motion strictly as a motion based upon *res judicata* rather than one for summary judgment. Opposer also argues that Applicant never moved for summary judgment under TBMP 528.01.

However, Opposer cites no authority for the proposition that a motion brought in accordance with TBMP 510.02(b) cannot be treated as a motion for summary judgment or otherwise must be preceded by such a motion. Opposer’s brief treats *res judicata* and summary judgment as though they were separate legal bases. However, careful consideration of the Board’s decision reveals that the Board merely treated Applicant’s Resumption and Judgment Entry Motion as a motion for summary judgment, *and then* applied the doctrine of *res judicata* to

⁴ Opposer also makes presumptive allegations regarding Applicant’s motivation for filing the subject application, but cites no facts in the record in support of that allegation.

determine the there was no issue of material fact. This combined application of well-established standards of summary adjudication was properly made.

However, Opposer also has made no citation that would indicate that the tests for both *res judicata* and summary judgment⁵ are not met by the record herein and in the Cancellation.⁶

In this regard, Applicant notes that the motion for Resumption and Entry was in fact a properly plead basis when made.

Further, the fact that the Board properly treated it as a motion for summary judgment does not allow Opposer to raise the “unpleaded issue” rule because that rule, applied as Opposer would have it, would mean that any alternate consideration of a candidate motion could never be so considered as it would be “unpleaded” at the time of its alternative consideration.

⁵ In this regard, the standard for summary judgment is actually more favorable to Opposer, requiring it to show only that there is an issue of material fact that requires adjudication (it does not permit the Board to search for “reasonable doubt” in the evidence as Opposer claims); as opposed to the three-part “identity of parties - identity of issues - and final judgment” standard of *res judicata*. Accordingly, the treatment of the Board was actually more favorable to Opposer.

⁶ As the Board noted on page 5 of its decision, it seems rather non-sensical to require a party to amend its pleading to assert an affirmative defense or affirmatively request judgment under the doctrine of *res judicata* as this doctrine can only be applied after final judgment and cannot earlier be anticipated by the parties (particularly parties in the position of defendants). It should be borne in mind that the issue upon which *res judicata* and/or summary judgment was raised is mere descriptiveness *vel non*, and that issue was most certainly treated in the pleadings. Finally, it also seems inconsistent with efficient summary adjudication practice to require a party to amend its answer, await a reply and then move for judgment entry based upon the “newly plead” issue of *res judicata*. Again, the “unpleaded issue” rule exists to prevent unfairness to the opposing

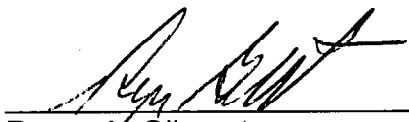
Conclusion

WHEREFORE, in view of the foregoing, Applicant respectfully requests that Opposer's motion be denied. Applicant earnestly and respectfully requests expeditious action on the present Motion as Applicant now awaits Opposer's frivolous appeal of a clearly and finally decided factual issue.

Respectfully submitted,

MIDWEST MERCHANDISING, INC.

January 8th 2004
Date



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing
**APPLICANT'S MEMORANDUM IN OPPOSITION
TO OPPOSER'S MOTION FOR RECONSIDERATION
OF THE BOARD'S FINAL DECISION**
was sent U.S. Mail, postage pre-paid this 8th day of January, 2004 to Mary J. Gaskin, Esq., Attorney for Opposer, Sports Machine, Inc., Annelin & Gaskin, 2170 Buckthorne Place, Suite 200, The Woodlands, Texas 77380



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party, and no unfairness is occasioned here as the Board has recognized, and as Opposer has failed to point out.